In This Issue

President's Corner

NCQA Convenes Experts to Define Criteria for Accountable Care Organizations

Report: Health Plans Can Affect Quality

Quality Compass 2010 Introduces Relative Resource Use Data

July and August: The Hot Season for New NCQA Publications

Losing Sleep Over Medical Loss Ratio

The ink from President Obama's signature on the health care reform law is barely dry, yet an important debate has erupted that could shape what reform will mean for quality.

At issue is how to calculate the Medical Loss Ratio (MLR), the portion of premiums a health plan collects that it devotes to patient care. A health plan with a 75% MLR spends three-quarters of its income from premiums paying claims from providers. The remaining 25% goes elsewhere, such as administration, salaries and profit. The reform law created a new category of spending - "activities that improve quality."

The new law requires health plans have 75 - 80% MLRs, starting in 2011. But Congress left it to state regulators to define what kind of spending counts toward that 80-85%. That is a crucial detail.

Health plans will cut back on spending money to improve care if it counts as administrative costs on their MLRs. That's why, in a series of letters NCQA sent the National Association of Insurance Commissioners (NAIC) and the Department of Health and Human Services, NCQA has urged regulators to include all activities that have a good evidence or consensus base and that assure consumer protections.

Reporting patient experience and clinical results, receiving accreditation for quality, wellness, engaging providers in pay for performance - these are a few of the investments in quality that plans...
should be not be penalized for making.

Reform is a law on the books, but what it will mean in practice is uncertain. To ensure that the law's implementation delivers on reform's intent, people who care about quality need to be part of this regulatory debate. Now is no time to rest.

**NCQA Convenes Experts to Define Criteria for Accountable Care Organizations**

In May, NCQA convened a multi-stakeholder Accountable Care Organization (ACO) Task Force to help develop a consensus on ACO qualifying and monitoring criteria.

Chaired by Robert Margolis, MD, CEO of the HealthCare Partners Medical Group, the NCQA ACO Task Force will be instrumental in defining requirements flexible enough to accommodate the variety of emerging ACO models.

Accountable Care Organizations are provider-based organizations that take accountability for both the quality and costs of health care for a defined population. The ACO builds on the patient-centered medical home; must at least include primary care and may include sub-specialists and hospitals. By coordinating and integrating care, policymakers hope, ACOs can simplify the care process for patients, enhance quality, improve efficiency and reduce costs.

Regardless of their organizational structures, ACOs will need strong foundations in primary care. Substantial evidence shows that comprehensive primary care, coupled with coordination across the care continuum, can improve quality and lower costs. Research also shows that strong, consistent leadership, alignment of goals and incentives throughout the care delivery system and comprehensive performance measurement and reporting may be important factors in the success of provider organizations aiming to improve the value of care. NCQA's Task Force will build on research and experience from medical home evaluation and work towards consensus to develop initial qualifying criteria and ongoing performance monitoring of ACOs.

In addition to Dr. Margolis, Task Force members include:

- Lawrence Casalino, MD, PhD, Chief, Division of Outcomes & Effectiveness Research, Livingston Farrand Associate Professor of Public Health, Weil Cornell Medical College
- Jay Crosson, MD, Executive Director, The Permanente Foundation
- Nicole DeVita, Rph, MHP, Senior Director, Alternative Quality Contracts Consultative Support, Blue Cross Blue Shield of
Massachusetts

- Duane Davis, MD, Vice President, Chief Medical Officer, Geisinger Health Plan
- Joseph Francis, MD, MPH, Chief Quality and Performance Officer, Department of Veterans Affairs
- Stuart Guterman, Assistant Vice President, The Commonwealth Fund
- George Isham, MD, Medical Director & Chief Health Officer, Health Partners
- Julie Lewis, Health Policy Director, The Dartmouth Institute
- Phil Madvig, MD, Associate Executive Director, The Permanente Medical Group
- Dolores Mitchell, Executive Director, Group Insurance Commission of Massachusetts
- Edward Murphy, MD, President and CEO, Carilion Clinic, Roanoke, Va.
- Gordon Norman, MD, MBA, Executive Vice President, Chief Innovation Officer, Inverness Medical Innovations/Alere Inc.
- Cathy Schoen, Senior Vice President, The Commonwealth Fund
- Jeff Stensland, PhD, Principal Policy Analyst, MedPAC
- Susan Stuard, Executive Director, THINC Inc.
- John Toussaint, MD, President and Founder, Thedacare Center for Healthcare Value
- Woody Warburton, MD, Professor & Division Chief, Family Medicine, Duke University Medical Center
- Nicholas Wolter, Chief Executive Officer, The Billings Clinic

As a leader in patient-centered health quality measurement and evidence-based standards, NCQA is eager to work with these experts to expand on its work supporting delivery system redesign. NCQA hopes to release a report later this year outlining the committee's recommendations for ACO evaluation criteria.

Report: Health Plans Can Affect Quality

A study in the June edition of the *International Journal for Quality in Health Care* finds that health plans can affect the quality of care independent of their contracted providers, refuting the common perception that plans are “too far” from patients to affect quality.

According to the study, *The Contribution of Health Plans and Provider Organizations to Variations in Measured Plan Quality*, plans can improve quality by influencing care processes through financial incentives and disease management programs for preventive services. This effect was found over and above what providers were able to achieve.

The authors analyzed HEDIS results from six health plans and 159
provider organizations in California to analyze whether differences in HEDIS scores across providers explained all of the differences in health plan quality. The HEDIS measures studied were:

- **Use of Appropriate Medications for People with Asthma**
- **Breast Cancer Screening**
- **Cervical Cancer Screening**
- **Chlamydia Screening in Women**
- **Childhood Immunization Status**
- **Cholesterol Management for Patients with Cardiovascular Conditions**
- **Complete Comprehensive Diabetes Care**
- **Appropriate Treatment for Children with Upper Respiratory Infection.**

NCQA regards the study as a validation of our work with health plans and a reminder that reporting plans’ quality data has many benefits for the health care system.

---

**Quality Compass 2010 Introduces Resource Use Data**

**Early Bird Special: Place orders by June 30, 2010 and receive a 10% discount***

NCQA will launch the updated Commercial and Medicaid editions of Quality Compass 2010 in late July and September, respectively.

Additionally, NCQA will release Quality Compass:

**RRU + Quality Index (Commercial)** in October. Access to **RRU + Quality Index (Commercial)** will be included with all Commercial Quality Compass licenses. This product will also be sold separately as a stand-alone product.

This new product incorporates Relative Resource Use (RRU) measures that capture the total resources used by health plans to treat patients with select chronic conditions and aligns their utilization with their HEDIS quality results. This dataset provides detailed information that allows for the comparison of plans based on both value and quality.

Measures focus on traditionally high-cost conditions:

- Asthma
- Cardiovascular conditions
- COPD
- Diabetes
- Hypertension

Populations captured in the resource use measures are risk-adjusted for clinical category, presence of co-morbidities, age and
gender. Therefore, plans that serve older or sicker populations are not at a disadvantage when compared to plans that serve younger and healthier populations.

Quality Compass 2010: Commercial licenses include access to RRU + Quality Index (Commercial), which is scheduled for release in late October 2010. You can preorder Quality Compass 2010 today by clicking here. Please direct any customer questions to informationproducts@ncqa.org.

HIMSS/NCQA Patient Centered Medical Home Fact Sheet

The Healthcare Information and Management Systems Society (HIMSS) and NCQA have created an informational fact sheet for practices that would like to become recognized patient-centered medical homes.

The fact sheet provides an overview of PCMH from the health care practice perspective, while highlighting the beneficial use of health IT through case examples of NCQA recognized the Physician Practice Connections® - Patient-Centered Medical Homes™ (PPC®-PCMH™).

Click here to view the fact sheet.

Summer is the Hot Season for New NCQA Publications

NCQA will be releasing a several publications in July and August. The following items are available for pre-order now:

- HEDIS 2011, Volume 1: Narrative
- HEDIS 2011, Volume 2: Technical Specifications
- 2011 Health Plan Standards and Guidelines
- 2011 Health Plan Survey Tool
- 2011 MBHO Standards and Guidelines
- 2011 MBHO Plan Survey Tool
- 2011 NHP Standards and Guidelines
- 2011 NHP Survey Tool
- Quality Compass 2010

For more information, visit http://www.ncqa.org/publications or contact NCQA Customer Support at 888-275-7585.
Celebrating its 20th anniversary in 2010, NCQA is a private, non-profit organization dedicated to improving health care quality. NCQA accredits & certifies a wide range of health care organizations. It also recognizes clinicians and practices in key areas of performance. NCQA's Healthcare Effectiveness Data and Information Set (HEDIS®) is the most widely used performance measurement tool in health care. NCQA is committed to providing health care quality information for consumers, purchasers, health care providers, researchers, health plans and government entities. Visit us at http://www.ncqa.org.